

# House File 2441 - Reprinted

HOUSE FILE 2441  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 650)

(As Amended and Passed by the House March 6, 2018)

## A BILL FOR

1 An Act relating to school district funding and the authorized  
2 purposes for the expenditure of school district funding, and  
3 including effective date and applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1. NEW SECTION.   **256.9A**   Limitation on guidance and  
2   interpretations.

3     1. For the purposes of this section, "*guidance*" means a  
4   document or statement issued by the department, the state  
5   board, or the director that purports to interpret a law, a  
6   rule, or other legal authority and is designed to provide  
7   advice or direction to a person regarding the implementation  
8   of or compliance with the law, the rule, or the other legal  
9   authority being interpreted.

10    2. The department, the state board, or the director shall  
11   not issue guidance inconsistent with any statute, rule, or  
12   other legal authority and shall not issue guidance that imposes  
13   any legally binding obligations or duties upon any person  
14   unless such legally binding obligations or duties are required  
15   or reasonably implied by any statute, rule, or other legal  
16   authority.

17    3. This section shall not apply to a rule adopted pursuant  
18   to chapter 17A, a declaratory order issued pursuant to section  
19   17A.9, a document or statement required by federal law or a  
20   court, or a document or statement issued in the course of a  
21   contested case proceeding, an administrative proceeding, or a  
22   judicial proceeding to which the department, the state board,  
23   or the director is a party.

24    4. Guidance issued by the department, the state board, or  
25   the director in violation of subsection 2 shall not be deemed  
26   to be legally binding.

27    Sec. 2. Section 257.10, subsection 11, paragraph d, Code  
28   2018, is amended to read as follows:

29    ~~d. The use of the funds calculated under this subsection~~  
30   ~~shall comply with the requirements of chapter 256D~~ may be used  
31   for any school general fund purpose.

32    Sec. 3. Section 257.31, subsection 16, Code 2018, is amended  
33   to read as follows:

34    16. The committee shall perform the duties assigned to it  
35   under sections 257.32, 257.40, and 260C.18B.

1     Sec. 4. Section 257.38, subsection 1, unnumbered paragraph  
2 1, Code 2018, is amended to read as follows:

3     Boards of school districts, individually or jointly with  
4 boards of other school districts, requesting to use a modified  
5 supplemental amount for costs in excess of the amount received  
6 under section 257.11, subsection 4, for programs for at-risk  
7 students, secondary students who attend alternative programs  
8 and alternative schools, and returning dropouts and dropout  
9 prevention, shall ~~submit~~ approve, by resolution, comprehensive  
10 program plans for the programs and budget costs, including  
11 annual requests for a modified supplemental amount for funding  
12 the programs, ~~to the department of education as a component~~  
13 ~~of the comprehensive school improvement plan submitted to the~~  
14 ~~department pursuant to~~ section 256.7, subsection 21. The  
15 program plans shall include:

16     Sec. 5. Section 257.38, subsection 1, paragraph j, Code  
17 2018, is amended by striking the paragraph.

18     Sec. 6. Section 257.38, subsection 2, Code 2018, is amended  
19 to read as follows:

20     2. Program plans shall identify the parts of the plan that  
21 will be implemented first upon ~~approval~~ adoption of the ~~request~~  
22 program plan. If a district is requesting to use a modified  
23 supplemental amount to finance the program, the school district  
24 shall ~~not identify more than five percent of~~ include in the  
25 request the number of students in its budget enrollment for  
26 the budget year identified as returning dropouts and potential  
27 dropouts.

28     Sec. 7. Section 257.40, Code 2018, is amended to read as  
29 follows:

30     **257.40 Approval of ~~programs for at-risk pupils, alternative~~**  
31 **~~programs and schools, and returning dropouts and dropout~~**  
32 **prevention requests for modified supplement amounts for adopted**  
33 **program plans.**

34     The board of directors of a school district requesting  
35 to use a modified supplemental amount for costs in excess of

1 the funding received under section 257.11, subsection 4, for  
 2 programs for at-risk students, secondary students who attend  
 3 alternative programs and alternative schools, or returning  
 4 dropouts and dropout prevention shall submit requests for  
 5 a modified supplemental amount, including budget costs, to  
 6 the ~~department~~ school budget review committee not later than  
 7 ~~December 15~~ November 1 of the year preceding the budget year  
 8 during which the program will be offered. The ~~department~~  
 9 school budget review committee shall review the request and  
 10 shall prior to January 15 ~~either~~ grant approval for the request  
 11 ~~or~~ if the amount requested does not exceed an amount equal  
 12 to the limitation of section 257.41, subsection 3, minus any  
 13 funds for the adopted program carried forward to the budget  
 14 year. The board of directors shall certify by resolution that  
 15 the request complies with the school district's adopted program  
 16 plan. Only if the request violates the school district's  
 17 adopted program plan may the school budget review committee  
 18 return the request for approval with comments of the ~~department~~  
 19 committee included. An unapproved request for a program may  
 20 be resubmitted with modifications to the ~~department~~ school  
 21 budget review committee not later than February 1. Not later  
 22 than February 15, the ~~department~~ school budget review committee  
 23 shall notify the department of management ~~and the school budget~~  
 24 ~~review committee~~ of the names of the school districts for which  
 25 programs using a modified supplemental amount for funding have  
 26 been approved and the approved budget of each program listed  
 27 separately for each school district having an approved request.  
 28 If requested, the board of directors shall provide the adopted  
 29 program plan for any audit performed under chapter 11 or other  
 30 provision of law.

31 Sec. 8. Section 257.41, subsection 1, Code 2018, is amended  
 32 to read as follows:

33 1. *Budget.* The budget of an ~~approved~~ adopted program for  
 34 at-risk students, secondary students who attend alternative  
 35 programs or alternative schools, or returning dropouts and

1 dropout prevention for a school district, after subtracting  
 2 funds received under [section 257.11, subsection 4](#), paragraphs  
 3 "a" through "c", and from other sources for that purpose,  
 4 including any previous carryover or amount designated from the  
 5 school district's flexibility account under section 298A.2,  
 6 subsection 2, shall be funded annually on a basis of one-fourth  
 7 or more from the district cost of the school district and up to  
 8 three-fourths through establishment of a modified supplemental  
 9 amount. Annually, the department of management shall establish  
 10 a modified supplemental amount for each such school district  
 11 equal to the difference between the approved budget for the  
 12 program for that district and the sum of the amount funded from  
 13 the district cost of the school district plus funds received  
 14 under [section 257.11, subsection 4](#), and from other sources  
 15 for that purpose, including any previous carryover or amount  
 16 designated from the school district's flexibility account under  
 17 section 298A.2, subsection 2.

18 Sec. 9. Section 257.41, subsection 2, unnumbered paragraph  
 19 1, Code 2018, is amended to read as follows:

20 Appropriate uses of the funding for an ~~approved~~ adopted  
 21 program include but are not limited to the following:

22 Sec. 10. Section 257.41, subsection 2, paragraphs a and b,  
 23 Code 2018, are amended to read as follows:

24 a. Salary and benefits for staff including but not  
 25 limited to instructional staff, instructional support staff,  
 26 administrative staff, and guidance counselors, salary and  
 27 benefits or contract payments for psychologists licensed  
 28 under chapter 154B, licensed independent social workers or  
 29 master social workers under chapter 154C, licensed mental  
 30 health counselors under chapter 154D, and salary and benefits  
 31 for school-based youth services staff who are working with  
 32 ~~students who are participating in~~ at-risk or dropout prevention  
 33 programs, alternative programs, and alternative schools, in a  
 34 traditional or alternative setting, or who are working with  
 35 students who are participating in such programs or schools,

1 if ~~the staff~~ such person's or counselor's time is dedicated  
 2 to working with the program or with such students in order to  
 3 provide services beyond those which are provided by the school  
 4 district to students who are not participating in such programs  
 5 or alternative schools. However, if ~~the staff~~ such person or  
 6 ~~counselor~~ works part-time with students who are participating  
 7 in a program or alternative school and the ~~staff person or~~  
 8 ~~counselor~~ has another unrelated ~~staff~~ assignment, only the  
 9 portion of the ~~staff person's or counselor's~~ time that is  
 10 related to the program or alternative school may be charged to  
 11 the program or school. For each such ~~staff person or counselor~~  
 12 who works part time or on a contract basis with the program or  
 13 with students who are participating in a program or alternative  
 14 school, the school district shall have the authority to  
 15 designate the portion of the ~~staff person's or counselor's~~ time  
 16 and the corresponding amount of salary and benefits or contract  
 17 payment amount that is related to the program or alternative  
 18 school and shall include such designation as part of the  
 19 program plan under [section 257.38](#), if applicable. For purposes  
 20 of this paragraph, if an alternative setting is necessary  
 21 to provide for a program which is offered at a location off  
 22 school grounds and which is intended to serve student needs by  
 23 improving relationships and connections to school, decreasing  
 24 truancy and tardiness, providing opportunities for course  
 25 credit recovery, or helping students identified as at risk  
 26 to accelerate through multiple grade levels of achievement  
 27 within a shortened time frame, the tuition costs for a student  
 28 identified as at risk shall be considered an appropriate use of  
 29 the program funding under [this section](#).

30     *b.* Professional development for all teachers, counselors,  
 31 and staff identified in paragraph "a" who are working with  
 32 at-risk students under a program or an alternative school  
 33 setting.

34     Sec. 11. Section 257.41, subsection 2, Code 2018, is amended  
 35 by adding the following new paragraphs:

1     NEW PARAGRAPH.   *f.* Any purpose determined by the board of  
2 directors that directly benefits students participating in the  
3 adopted program.

4     NEW PARAGRAPH.   *g.* School security personnel costs.

5     Sec. 12. Section 297.22, subsection 2, paragraph b, Code  
6 2018, is amended to read as follows:

7     *b.* The board of directors of a school district may lease a  
8 portion of an existing school building ~~in which the remaining~~  
9 ~~portion of the building will be used for school purposes~~  
10 ~~for a period of not to exceed five years~~ or lease a portion  
11 of existing school property. The lease may be renewed at  
12 the option of the board. The notice and public hearing  
13 requirements of subsection 1 of this section do not apply to  
14 the lease of a portion of an existing school building. A  
15 school district shall pay out of the revenue from a lease to  
16 the state of Iowa, and to the city, school district and any  
17 other political subdivision authorized to levy taxes, an amount  
18 as determined by this section. The amount shall be determined  
19 by applying the annual tax rate of the taxing district to the  
20 assessed value of the portion of the building leased, prorated  
21 for the term of the lease during the appropriate taxing period.  
22 The provisions of this section relating to the payment of  
23 property tax because of leases shall only apply to leases to  
24 private, for-profit entities which lease a portion of a school  
25 building for a period of thirty or more consecutive days,  
26 but shall not apply to property or equipment leased as part  
27 of a project designed to generate electricity for the school  
28 district.

29     Sec. 13. Section 298A.8, subsection 2, Code 2018, is amended  
30 to read as follows:

31     2. For school budget years beginning on or after July 1,  
32 2016, the board of directors of a school corporation may,  
33 by board resolution, transfer from the school corporation's  
34 general fund to the student activity fund an amount necessary  
35 to purchase or recondition protective and safety equipment

1 required for any extracurricular interscholastic athletic  
2 contest or competition that is sponsored or administered by an  
3 organization as defined in [section 280.13](#).

4 Sec. 14. Section 298A.12, Code 2018, is amended to read as  
5 follows:

6 **298A.12 Child care fund.**

7 1. A child care fund is an enterprise fund. A child care  
8 fund must be established in any school corporation receiving  
9 moneys from the child care program authorized under section  
10 279.49.

11 2. If the sum of the fees collected under section 279.49 for  
12 participation in a before and after school program and other  
13 moneys deposited in the fund as the result of the before and  
14 after school program exceeds the amount necessary to operate  
15 the before and after school program, the excess amount may,  
16 following a public hearing, be transferred by resolution of  
17 the board of directors of the school corporation for deposit  
18 in the general fund of the school corporation to be used for  
19 school district general fund purposes. The board shall publish  
20 notice of the time and the place of the public hearing in  
21 the same manner as required in section 24.9. The resolution  
22 transferring the excess amount shall state the original source  
23 and purpose of the funds, the method used to establish fee  
24 amounts for the before and after school program under section  
25 279.49, subsection 4, the proposed use of such funds, and the  
26 amount of the transfer. The department of education shall  
27 prescribe the form for public hearing notices. The board shall  
28 provide a copy of the resolution to the department of education  
29 and shall make the resolution available for any audit performed  
30 under chapter 11. A transfer under this subsection does not  
31 increase a school district's authorized expenditures as defined  
32 in section 257.7.

33 Sec. 15. Section 299A.12, Code 2018, is amended by adding  
34 the following new subsection:

35 NEW SUBSECTION. 3A. The purposes for and limitations on



1 the expenditure of funds under subsections 2 and 3 shall not  
2 be construed to prohibit a school corporation from authorizing  
3 the use of items and materials purchased for the home school  
4 assistance program for school district purposes other than the  
5 home school assistance program so long as the authorized use  
6 does not prevent or interfere with the item or material's use  
7 by parents or students utilizing the program.

8 Sec. 16. EFFECTIVE DATE. The following, being deemed of  
9 immediate importance, take effect upon enactment:

10 1. The section of this Act enacting section 256.9A.

11 2. The section of this Act amending section 257.10,  
12 subsection 11.

13 3. The section of this Act amending section 297.22,  
14 subsection 2, paragraph "b".

15 4. The section of this Act amending section 298A.8,  
16 subsection 2.

17 5. The section of this Act amending section 298A.12.

18 6. The section of this Act amending section 299A.12.

19 Sec. 17. APPLICABILITY. The following apply to school  
20 budget years beginning on or after July 1, 2018:

21 1. The section of this Act enacting section 256.9A.

22 2. The section of this Act amending section 257.10,  
23 subsection 11.

24 3. The section of this Act amending section 297.22,  
25 subsection 2, paragraph "b".

26 4. The section of this Act amending section 298A.8,  
27 subsection 2.

28 5. The section of this Act amending section 298A.12.

29 6. The section of this Act amending section 299A.12.

30 Sec. 18. APPLICABILITY. The following apply to school  
31 budget years beginning on or after July 1, 2019:

32 1. The section of this Act amending section 257.31,  
33 subsection 16.

34 2. The section of this Act amending section 257.38,  
35 subsection 1, unnumbered paragraph 1.

1     3. The section of this Act amending section 257.38,  
2 subsection 1, paragraph "j".

3     4. The section of this Act amending section 257.38,  
4 subsection 2.

5     5. The section of this Act amending section 257.40.

6     6. The section of this Act amending section 257.41,  
7 subsection 1.

8     7. The section of this Act amending section 257.41,  
9 subsection 2, unnumbered paragraph 1.

10    8. The section of this Act amending section 257.41,  
11 subsection 2, paragraphs "a" and "b".

12    9. The section of this Act enacting section 257.41,  
13 subsection 2, paragraphs "f" and "g".